

**Kgagodi Community Horticulture Farm Project
Botswana**

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

The Kgagodi Development Association (KDA) is a community initiative formed to encourage residents of Kgagodi Village to identify ways they can improve their economic and social status and participate in the decisions about development in their village. KDA and Action for Economic Empowerment Trust (AEET), ADF's partner in Botswana, undertook a participatory development methodology exercise to help the residents identify their development priorities. Based on this process, the residents chose to participate in a community horticultural production project. KDA lacks the funds to launch the project.

III. Funding**A. ADF Contribution**

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Grantee Contribution

KDA will finance its office expenses, salaries of its employees, and capacity building training activities after the first year of the Project. KDA's members will contribute their labor to the Project. KDA will contribute a one hectare plot allocated from the Government of Botswana to be used for vegetable production.

IV. Project Goal

The Project's goal is to improve the standard of living for residents of Kgagodi Village.

V. Project Purpose

The purpose of the Project is to increase the incomes of KDA and selected members of Kgagodi Village, as demonstrated by the following:

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APPENDIX A

- A. KDA's income (before taxes and depreciation) will increase from a baseline of Botswana Pula (BWP) 0 to
1. BWP 17,587 in Project Year I;
 2. BWP 26,381 in Project Year II;
 3. BWP 29,019 in Project Year III;
 4. BWP 31,921 in Project Year IV; and
 5. BWP 35,114 in Project Year V.
- B. The participating community members' income from horticultural production will increase from a baseline of Botswana Pula (BWP) 0 to:
1. BWP 99,663 in Project Year I;
 2. BWP 149,494 in Project Year II;
 3. BWP 164,444 in Project Year III;
 4. BWP 180,888 in Project Year IV; and
 5. BWP 198,977 in Project Year V.

VI. Outputs

- A. Increased capacity of KDA to support and coordinate community development projects, as demonstrated by the following:
1. The revenues from the sale of vegetables fully sustains project operations after the first 18 months;
 2. KDA acquires a second hectare of land for horticulture production by the second year of the Project; and
 3. KDA increases its membership's participation in the horticulture production project from a baseline of 0 members to:
 - (a) 30 members in Project Year I;
 - (b) 60 members in Project Year II;
 - (c) 60 members in Project Year III;
 - (d) 60 members in Project Year IV; and
 - (e) 60 members in Project Year V.
- B. Increased capacity of KDA and community members to produce and sell vegetables as demonstrated by the following.
1. Annual production volumes of tomatoes, rape and cabbage will change from a baseline of 0 to:
 - (a) 17 tons in Project Year I;
 - (b) 26 tons in Project Year II;
 - (c) 29 tons in Project Year III;
 - (d) 31 tons in Project Year IV; and
 - (e) 35 tons in Project Year V.



APPENDIX A

2. KDA's projected annual gross revenues will change from a baseline of Botswana Pula (BWP) 0 to:

- (a) BWP 117,250 in Project Year I;
- (b) BWP 175,875 in Project Year II;
- (c) BWP 193,463 in Project Year III;
- (d) BWP 212,809 in Project Year IV; and
- (e) BWP 234,090 in Project Year V.

VII. Activities

A. Horticulture Farming

Through a participatory process the residents of Kgagoda Village identified unemployment, poverty, poor health, and prevalence of drought as major problems in their community. They decided that the establishment of an irrigated horticultural farm would help them address these problems. This Project will provide KDA and the community the resources needed to establish the farm.

The farm will consist of a one-hectare plot divided into 10x10 plots that will be allocated to 60 residents for the production of vegetables. Those assigned land will undertake all of the farming activities including the clearing and fencing the plots, land preparation, sowing of seeds, watering and monitoring of the crops. In addition to vegetables, the farm will produce seedlings in a nursery for distribution at a nominal cost to all community members for back-yard vegetable production. The farmers will wear the necessary protective clothing while cultivating their plots.

The KDA Extension Officer and Project Facilitation Team will provide technical assistance to the farmers, including training in horticultural growing techniques, pest management, harvesting packaging, and so on. The Government of Botswana's Department of Crops and Horticulture Production will provide training and continuous support in crop planning, irrigation systems installation, and pest control.

KDA will coordinate production related activities such as bulk collection and distribution to market places, identification of markets, and distribution of vegetables donated by individual farmers to the destitute, orphans, and AIDS patients. The Association will charge a fee of 15 percent of sales revenues to cover its costs.

In addition, KDA will coordinate the following infrastructure improvements:

1. installation of a small scale irrigation system;
2. preparation of land for cultivation through land clearing including tractor hire and fencing;
3. training in horticultural production and marketing through farmer workshops and ongoing mentoring by the facilitator and AEET PDM staff.;
4. provision of the garden equipment, protective clothing, seeds, manure and fertilizer necessary and by planting and harvesting the fields;

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5. construction of a storeroom, shed, ablution facilities and basic packaging for the storage and basic processing of the horticultural products; and
 6. development of a basic marketing system for products, including transport to the local market by the end of the first Project Year.
- B. Increased capacity to coordinate community development projects by a consolidation and successful continuation of the PDM process to guide KDA's growth in the short, medium and long term and increase its capabilities.
1. KDA will hire a mentor / facilitator to work closely with the board, members and continue to work with AEET in the PDM-CI process to guide growth of the organization and its capabilities. The mentor / facilitator will manage and ensure that project activities are implemented.
 2. The successful implementation of the activities below will serve to increase the group's capabilities in PDM.

C. Management

KDA will undertake the following activities to establish operational processes, enhance its management capabilities, and improve its financial record keeping:

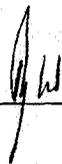
1. recruit a qualified bookkeeper who will be trained in financial management to perform the bookkeeping functions, generate financial reports and financial statements, and develop appropriate financial procedures; and
2. engage technical experts to train KDA in governance and organizational dynamics.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of KDA are responsible for the management and the proper implementation of the Project. AEET, ADF's PDM-CI Partner in Botswana, will provide training in the areas of management, ADF reporting, corporate and cooperative governance and business planning. The Partner will also provide technical assistance to the members and leadership in those areas.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will provide the Partner input for the Project monitoring plan. In addition, during implementation the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.

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